

San Benito County Economic Forecast

San Benito's varied economic base is dominated by the government, retail trade, and manufacturing industries. Employment in government, the largest industry in the county, has been growing steadily over the last five years, accounting for 18 percent of total employment in 2002. Within government, the majority of jobs are in local government.

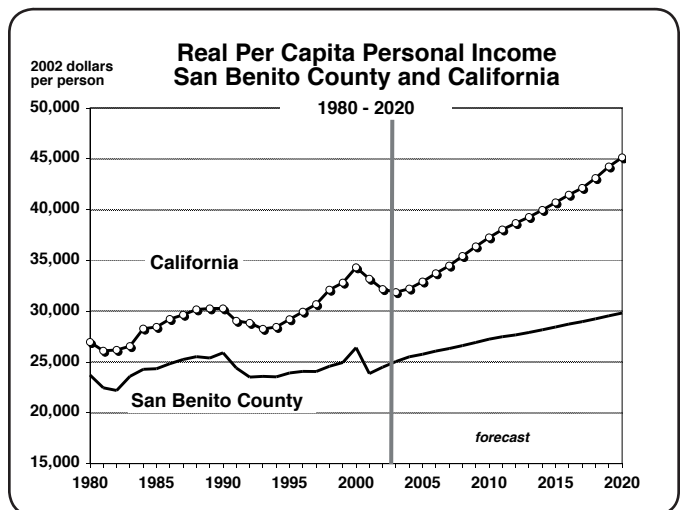
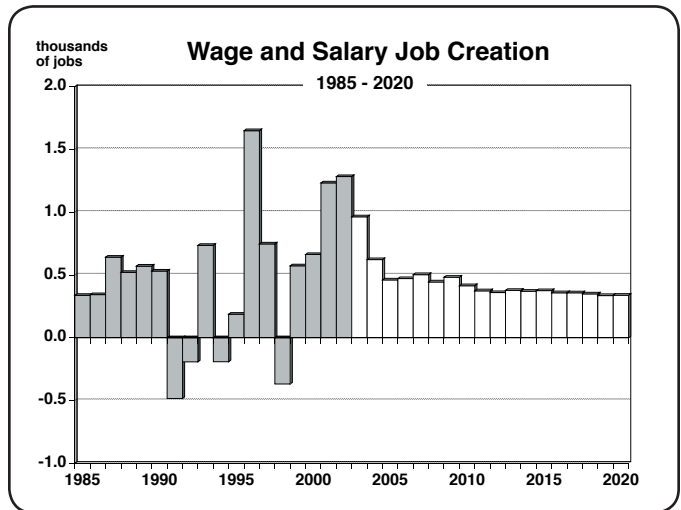
Out-of-county employment is a significant factor in the local economy as many San Benito residents commute to Santa Cruz, Monterey, and Santa Clara counties to work. However, residential expansion, the development of transportation systems, and the county's proximity to the Silicon Valley continue to encourage economic development. There are 56,300 residents in the County, as of January 2003. Total wage and salary employment accounts for 17,420 jobs, or 31 percent of the population. The other 69 percent of the population is either not in the labor force or employed in adjacent counties.

San Benito is a largely agricultural county, creating a diverse landscape of vineyards, crop land, fruit and nut orchards, and grazing pastures for cattle and sheep. The agriculture industry employs 14 percent of total employment, and uses over half of the county's land area. The total value of agricultural products was \$218 million in 2002.

Between 1997 and 2002, nearly 3,000 homes were permitted in the county. This rate of production has encouraged positive net migration, averaging 1,000 persons per year.

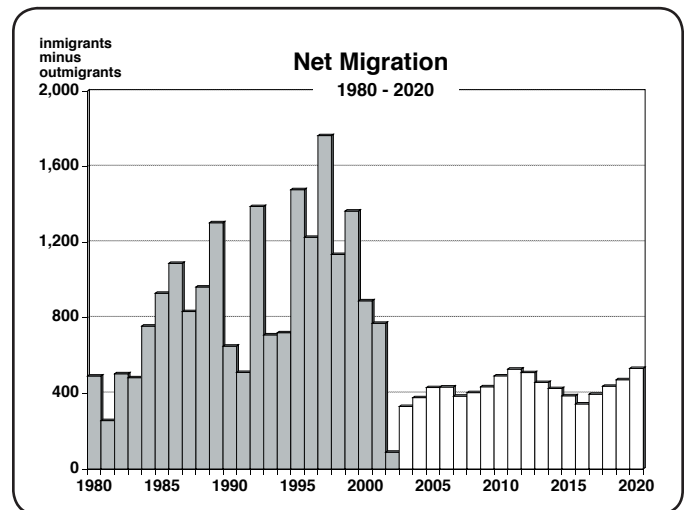
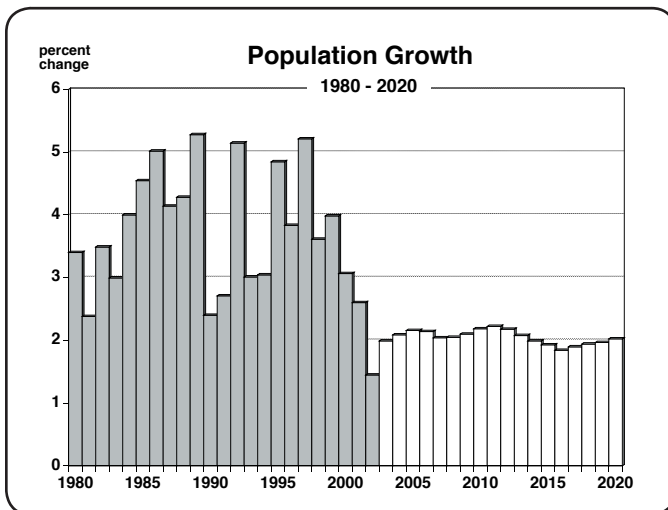
Forecast Highlights

- The county is forecast to create 2,500 new non-farm wage and salary jobs between 2003 and 2008. The forecast rate of job growth averages 2.6 percent per year. Public sector employment is forecast to increase by 560 jobs between 2003 and 2008, with nearly all of the new jobs created in the state and local government sector.
- Real per capita income rises 1.2 percent per year over the next 5 years. Total inflation-adjusted personal income increases 3.1 percent per year.
- The unemployment rate is forecast to remain in the 9 to 10 percent range over the next 5 years. However, the county is diversifying and more jobs will be created



in the non-farm sector over the longer term, causing the rate of unemployment to decline more rapidly after 2008.

- Population growth averages 2.1 percent per year between 2003 and 2008. The natural increase is the principal engine of population growth. But net migration also contributes significantly to an expanding population. The number of net migrants is forecast to average 400 per year over the next 5 years.
- Approximately 235 new homes are permitted each year over the next 5 years. That rate of building is not enough to keep housing densities or housing prices from rising further throughout the county.



San Benito County Economic Forecast

1995-2002 History, 2003-2020 Forecast

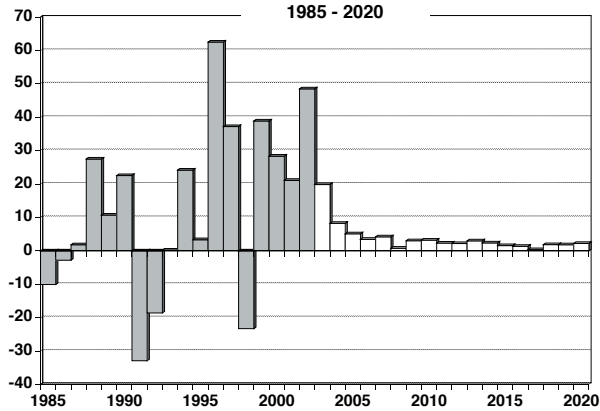
	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	44,350	1,478	36.3	13.0	422	\$0.2	\$0.8	\$23,930	\$161	\$0.3
1996	46,050	1,226	38.2	13.4	443	\$0.2	\$0.9	\$24,083	\$160	\$0.5
1997	48,450	1,764	37.9	13.8	630	\$0.2	\$1.0	\$24,073	\$165	\$0.6
1998	50,200	1,135	41.9	14.4	745	\$0.2	\$1.1	\$24,590	\$161	\$0.5
1999	52,200	1,365	44.9	14.9	581	\$0.2	\$1.2	\$24,957	\$180	\$0.7
2000	53,800	890	49.0	15.9	541	\$0.3	\$1.3	\$26,419	\$209	\$0.9
2001	55,200	771	52.2	16.1	340	\$0.3	\$1.3	\$23,863	\$209	\$1.0
2002	56,000	89	55.0	16.6	150	\$0.3	\$1.4	\$24,499	\$218	\$1.5
2003	57,115	331	56.7	16.8	166	\$0.3	\$1.5	\$25,046	\$221	\$1.8
2004	58,308	378	58.5	17.0	189	\$0.3	\$1.6	\$25,513	\$225	\$2.0
2005	59,566	431	60.4	17.2	223	\$0.4	\$1.7	\$25,766	\$231	\$2.1
2006	60,841	434	62.4	17.4	281	\$0.4	\$1.8	\$26,079	\$237	\$2.2
2007	62,083	386	64.4	17.7	265	\$0.4	\$1.9	\$26,327	\$244	\$2.3
2008	63,355	404	66.6	18.0	289	\$0.4	\$2.0	\$26,615	\$251	\$2.3
2009	64,686	435	68.8	18.3	275	\$0.5	\$2.1	\$26,934	\$259	\$2.3
2010	66,099	493	71.1	18.6	255	\$0.5	\$2.2	\$27,248	\$267	\$2.4
2011	67,568	528	73.4	18.8	301	\$0.5	\$2.4	\$27,495	\$276	\$2.5
2012	69,040	510	75.7	19.1	304	\$0.6	\$2.5	\$27,668	\$286	\$2.5
2013	70,474	458	78.0	19.4	255	\$0.6	\$2.6	\$27,917	\$296	\$2.6
2014	71,878	426	80.3	19.7	245	\$0.6	\$2.8	\$28,172	\$305	\$2.7
2015	73,264	388	82.5	20.0	283	\$0.7	\$3.0	\$28,445	\$315	\$2.7
2016	74,614	344	84.6	20.3	262	\$0.7	\$3.1	\$28,736	\$326	\$2.7
2017	76,030	396	86.7	20.5	290	\$0.7	\$3.3	\$28,976	\$337	\$2.8
2018	77,506	438	88.8	20.8	241	\$0.8	\$3.5	\$29,254	\$348	\$2.8
2019	79,030	473	90.9	21.1	228	\$0.8	\$3.7	\$29,549	\$360	\$2.9
2020	80,630	532	92.9	21.3	259	\$0.9	\$3.9	\$29,821	\$372	\$2.9

- The median home selling price (adjusted for general price inflation) was \$357,000 in 2002. It is projected to increase at the rate of 2 percent per year on average between 2003 and 2008.

average annual
percent change

Real Industrial Production

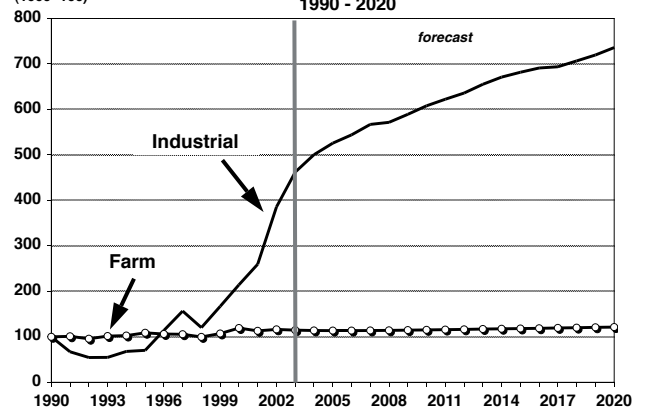
1985 - 2020



inflation-
adjusted index
(1990=100)

Industrial and Farm Production Indices

1990 - 2020



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
11.6	2.5	3.2	1.8	0.3	2.7	0.3	1.4	2.2
13.3	2.6	3.4	2.1	0.4	3.1	0.3	1.6	2.3
14.0	2.2	3.3	2.1	0.3	3.5	0.4	1.8	2.5
13.7	2.0	3.2	1.9	0.3	3.6	0.4	1.9	2.6
14.2	2.0	3.3	2.2	0.3	3.7	0.4	2.0	2.7
14.9	1.9	3.2	2.4	0.3	3.8	0.4	2.0	2.8
16.1	2.4	3.5	2.5	0.3	4.0	0.3	2.1	2.8
17.4	2.4	2.5	2.0	0.3	4.0	0.4	2.1	3.1
18.4	2.4	3.8	2.2	0.3	4.0	0.4	2.2	3.1
19.0	2.4	4.1	2.3	0.3	4.1	0.4	2.3	3.2
19.5	2.4	4.2	2.3	0.3	4.1	0.4	2.4	3.3
19.9	2.4	4.2	2.3	0.3	4.3	0.4	2.5	3.4
20.4	2.4	4.3	2.4	0.3	4.5	0.4	2.7	3.6
20.9	2.4	4.3	2.4	0.3	4.7	0.4	2.8	3.7
21.4	2.4	4.3	2.4	0.3	4.9	0.4	2.9	3.8
21.8	2.4	4.3	2.5	0.3	5.1	0.4	3.0	3.9
22.2	2.4	4.3	2.5	0.3	5.2	0.4	3.1	4.0
22.5	2.4	4.3	2.5	0.3	5.4	0.4	3.1	4.1
22.9	2.4	4.3	2.6	0.3	5.5	0.4	3.2	4.2
23.3	2.4	4.4	2.6	0.3	5.7	0.4	3.2	4.3
23.6	2.4	4.4	2.7	0.3	5.8	0.4	3.3	4.4
24.0	2.4	4.4	2.7	0.3	5.9	0.4	3.4	4.4
24.4	2.4	4.5	2.8	0.3	6.1	0.4	3.5	4.5
24.7	2.4	4.5	2.8	0.3	6.2	0.4	3.6	4.6
25.0	2.4	4.5	2.9	0.3	6.3	0.4	3.6	4.7
25.4	2.4	4.5	2.9	0.3	6.4	0.4	3.7	4.8

